

Message Text

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DRAFTED BY ARA-LA/PAN: PATRICKFMORRIS

APPROVED BY S/AB - AMBASSADOR ELLSWORTH BUNKER

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FM SECSTATE WASHDC

TO AMEMBASSY SANTIAGO PRIORITY

INFO AMEMBASSY PANAMA

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E.O. 11652: N/A

TAGS: PFOR, PN

SUBJ: AMBASSADOR BUNKER'S SPEECH OF MARCH 19
FOR SECRETARY SHULTZ FROM ELLSWORTH BUNKER
SINCE YOU WILL BE VISITING PANAMA AND CONTADORA
ISLAND ON APRIL 3, I EXPECT THAT YOUR HOST FOREIGN
MINISTER TACK WILL AT ONE POINT OR ANOTHER WANT TO
GIVE YOU PANAMA'S POINT OF VIEW ON CANAL TREATY NEGOTIATIONS. SO THAT YOU HAVE SOME BACKGROUND ON THE MATTER, I THOUGHT YOU MIGHT FIND USEFUL A COPY OF A SPEECH ON THE SUBJECT WHICH I GAVE TO THE CENTER FOR INTER-AMERICAN RELATIONS ON MARCH 19. TEXT FOLLOWS:

BEGIN QUOTE: PANAMA AND THE UNITED STATES -- A
DESIGN FOR PARTNERSHIP.

I

QUOTE THE REASON THT I AM PARTICULARLY PLEASED
TO BE WITH YOU IS THAT I COULD HARDLY HOPE FOR A BETTER
AUDIENCE BEFORE WHICH TO VENTURE MY FIRST PUBLIC
THOUGHTS ON THE MATTER OF A NEW TREATY RELATIONSHIP
BETWEEN THE UNITED STATES OF AMERICA AND THE REPUBLIC
OF PANAMA.

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QUOTE THIS AUDIENCE WILL UNDERSTAND THAT BECAUSE
THE NEW RELATIONSHIP IS A MATTER OF TRANSCENDENCE FOR
THE TWO COUNTRIES -- AND, IN SOME MEASURE, FOR THE
WHOLE HEMISPHERE AND THE WORLD COMMUNITY -- IT IS ONE
WHICH DEMANDS THE CONSTANT APPLICATION BY BOTH GOVERN-
MENTS OF:

-- REASON RATHER THAN EMOTION;

-- NEW IDEAS RATHER THAN OLD MEMORIES; AND

-- THE WILL TO ACCOMMODATE RATHER THAN THE WISH
TO CONFRONT.

QUOTE ALL THAT MAKES IT QUITE A DIFFICULT MATTER,
POSSIBLY THE MOST DIFFICULT I HAVE YET ADDRESSED AS
A NEGOTIATOR.

QUOTE I SHOULD LIKE YOU TO HAVE THE BACKGROUND
OF IT, THEN THE FOREGROUND AS I CAN PERCEIVE IT.

QUOTE WE START FROM A TREATY THAT IS 70 YEARS
OLD. IN 1903 THE NEWLY-INDEPENDENT REPUBLIC OF PANAMA
GRANTED TO THE UNITED STATES -- IN PERPETUITY -- THE
USE OF A STRIP OF LAND TEN MILES WIDE AND 50 MILES
LONG FOR THE CONSTRUCTION, MAINTENANCE, OPERATION AND
PROTECTION OF A CANAL BETWEEN THE ATLANTIC AND THE
PACIFIC.

QUOTE PANAMA ALSO GRANTED TO THE UNITED STATES
ALL THE RIGHTS, POWER AND AUTHORITY TO ACT WITHIN
THAT STRIP OF LAND AS INNERQUOTE IF IT WERE THE
SOVEREIGN END INNERQUOTE.

QUOTE THAT THE TREATY FAVORED THE UNITED STATES
WAS ACKNOWLEDGED PROMPTLY. JOHN HAY, THE THEN SECRETARY
OF STATE TOLD THE SENATE, IN SUBMITTING IT FOR RATIFI-
CATION:

INNERQUOTE...WE SHALL HAVE A TREATY VERY SATISFACTORY,
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VASTLY ADVANTAGEOUS TO THE UNITED STATES, AND MUST
CONFESS...NOT SO ADVANTAGEOUS TO PANAMA END INNER-
QUOTE.

QUOTE TO BE SURE, HAD THE UNITED STATES NOT BEEN
OFFERED SO ADVANTAGEOUS A TREATY BY PANAMA, IT MIGHT
WELL HAVE BUILT THE CANAL ELSEWHERE.

QUOTE UNMISTAKABLY, THE CONSTRUCTION OF THAT WATERWAY WAS AN ASTOUNDING ACHIEVEMENT. CONSIDER THE TRIUMPH OVER TROPICAL DISEASES; THE GIGANTIC ENGINEERING EFFORT; THE PARTICIPATION OF PEOPLE OF MANY RACES AND LANDS -- THESE ARE SOURCES OF EXTRAORDINARY PRIDE TO OUR PEOPLE.

QUOTE WE ARE NO LESS PROUD OF WHAT THE CANAL HAS REPRESENTED SINCE IT OPENED. IT HAS SPURRED THE CREATION OF MAJOR NEW INTERNATIONAL MARKETS. IT HAS CAUSED THE CREATION OF ENTIRELY NEW SEA ROUTES. IT HAS SAVED SEAFARING NATIONS COUNTLESS SUMS IN TERMS OF TIME, ENERGY AND MONEY. THESE -- TOGETHER WITH THE SAFE, EFFICIENT AND INEXPENSIVE OPERATION OF THE WATERWAY -- HAVE PROVIDED PANAMA, THE UNITED STATES AND THE ENTIRE WORLD WITH BENEFITS WHICH OBVIOUSLY HAVE BEEN OF INCALCULABLE VALUE.

QUOTE LET ME ILLUSTRATE SOME OF THE BENEFITS TO PANAMA:

-- ONE-FOURTH OF THAT COUNTRY'S GROSS NATIONAL PRODUCT IN RECENT YEARS HAS BEEN DIRECTLY OR INDIRECTLY ATTRIBUTABLE TO THE OPERATION OF THE CANAL AND THE MILITARY BASES WITHIN IT;

-- MORE THAN ONE-THIRD OF PANAMA'S TOTAL FOREIGN EXCHANGE EARNINGS IN RECENT YEARS HAS DERIVED FROM UNITED STATES PAYMENTS FOR PANAMANIAN GOODS AND SERVICES USED IN THE ZONE; AND

-- PERHAPS AS MUCH AS ONE-FIFTH OF PANAMA'S EMPLOYMENT NATIONWIDE IS DIRECTLY OR INDIRECTLY

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ATTRIBUTABLE TO THE PRESENCE OF THE CANAL.

-- PANAMA HAS BECOME A CROSSROADS OF THE HEMISPHERE, AND A CENTER FOR BANKING, SHIPPING, TRANSPORT, AND COMMUNICATIONS AND IT HAS PROSPECTS FOR ACCELERATED DEVELOPMENT IN THE YEARS TO COME.

QUOTE TODAY, THAT COUNTRY'S PER CAPITA INCOME IS THE HIGHEST IN CENTRAL AMERICA, THE FOURTH-HIGHEST IN LATIN AMERICA AS A WHOLE, EXCEEDED ONLY BY THAT OF ARGENTINA, URUGUAY AND VENEZUELA.

QUOTE FOR THE UNITED STATES, THE BENEFITS HAVE BEEN MILITARY AS WELL AS ECONOMIC.

QUOTE IT WAS THE 7,000 MILE, 66 DAY VOYAGE OF THE U.S. BATTLESHIP "OREGON" AROUND CAPE HORN DURING THE SPANISH-AMERICAN WAR THAT LED US TO BUILD A TRANS-ISTHMIAN WATERWAY. AND ITS MILITARY VALUE TO THE UNITED STATES HAS NOT DIMINISHED, ALTHOUGH IT HAS CHANGED.

QUOTE ITS STRATEGIC IMPORTANCE WAS DEMONSTRATED:

-- WHEN THE JAPANESE ATTACK ON PEARL HARBOR LEFT THE U.S. WITHOUT SIGNIFICANT NAVAL STRENGTH IN THE PACIFIC. REDEPLOYMENT OF ELEMENTS OF THE ATLANTIC FLEET THROUGH THE CANAL SAVED MORE THAN TWO WEEKS STEAMING TIME AROUND THE CAPE.

-- WHEN DURING THE CUBAN MISSILE CRISIS OF 1962 MOBILIZATION ORDERS FOUND NEARLY ALL LANDING CRAFT CONCENTRATED ON THE WEST COAST. MORE THAN 60 MILITARY VESSELS WERE REDEPLOYED TO GULF AND EAST COAST PORTS IN LESS THAN 10 DAYS.

QUOTE EVEN TODAY, WHEN MAJOR ELEMENTS OF OUR DEFENSE SYSTEM ARE INTERCONTINENTAL BOMBERS AND MISSILES, THE CANAL REMAINS A VITAL LINE OF COMMUNICATION. DESPITE LIMITATIONS ON THE SIZE OF VESSELS WHICH CAN PASS THROUGH IT, IT PERMITS THE MAJORITY OF US NAVY SHIPS UNCLASSIFIED

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TO MOVE EXPEDITIOUSLY BETWEEN OCEANS. PERHAPS MORE IMPORTANT, IT SHORTENS SUPPLY LINES FROM THE UNITED STATES TO POTENTIAL TROUBLE SPOTS AROUND THE WORLD.

QUOTE THE VIETNAM CONFLICT, NECESSITATING A RAPID BUILD-UP OF MEN AND MATERIEL IN SOUTHEAST ASIA DURING THE MID-60'S, IS THE MOST RECENT EXAMPLE OF THE LOGISTICAL ROLE THE CANAL PLAYS FOR THE UNITED STATES. BECAUSE OUR PRODUCTION CAPACITY IS LOCATED MOSTLY EAST OF THE MISSISSIPPI RIVER AND OUR INTERNAL TRANSPORTATION WAS INSUFFICIENT, WE WERE FORCED TO DEPEND HEAVILY ON THE CANAL TO TRANSPORT EQUIPMENT AND SUPPLIES TO OUR FORCES.

QUOTE AS FOR ECONOMIC BENEFITS TO THIS COUNTRY, THEY HAVE UNQUESTIONABLY BEEN GREAT IN THE PAST. BUT HOW GREAT THEY ARE TODAY IS
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